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Message Text

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PAGE 01 CAIRO 05548 231929Z

20
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
---------- 079902
R 231110Z APR 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 2379

C O N F I D E N T I A L CAIRO 5548

EXDIS

E.O. 11652: GDS
TAGS: ENRG, EG, US
SUBJ: UNFOUNDED REPORTS OF ESSO RED SEA DISCOVERY

REF: CAIRO 3556

1. ON APRIL 15, CAIRO PRESS REPORTED STATEMENT BY MINPET AHMAD HILAL TO CABINET MEETING THAT ESSO HAS DISCOVERED OIL IN RED SEA OFFSHORE CONCESSION. ESSO EGYPT MANAGER STANELY TOLD EMBOFF APRIL 21, HOWEVER, THAT THESE REPORTS ARE UNTRUE. HE SAID PRESS REPORTS ARE BASED ON MINISTER'S REMARKS THAT ESSOR HAD OBSERVED QUOTE OIL STAIN UNQUOTE IN SINGLE THIN STRATUM DURING DRILLING IN MIDDLE OF 3,000 FOOT THICK SALT BED. SUCH STAIN IS ENCOURAGING SIGN BUT HARDLY BASIS FOR REPORTS OF DISCOVERY.

2. ESSO WELL, WHICH IS OFFSHORE IN 1500 FEET OF WATER, IS NOW 7600 PLUS FEET DEEP AND DRILLING IS CONTINUING. STANLEY BELIEVES THEY WILL SOON CLAR SALT BED AND BEGIN DRILLING IN STRATA WHERE ESSO BELIEVES THEY WILL FIND OIL.

3. STANLEY SAID THAT AS RESULT THIS PRESS INCIDENT, HE HAS SPENT LAST THREE DAYS EXPLAINING ADVERSE EFFECTS OF SUCH REPORTS ON ESSOR AND SEEKING EGYPTIAN ASSISTANCE IN ENDING SPECULATION. HE IS TIGHTENING REIN ON DRILLING INFORMATION FOR BOTH AMERICANS AND EGYPTIANS UNDER HIS CONTROL AND HAS ASKED EGPC TO DO SAME. IDEALLY STANLEY SAYS THERE SHOULD BE NO INFORMATION RELEASED UNTIL AFTER
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WELL IS PRODUCTION TESTED. HE REALIZES THIS WILL BE

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IMPOSSIBLE HERE, BUT STILL FEARS ADVERSE SEC REACTION IF FURTHER
SPECULATIVE REPORTS APPEAR WHICH COULD BE INTERPRETED AS
FRADULENT PRACTICES. STANLEY IS CONSIDERING IDEA OF
ISSUING PREEMPTIVE FACTUAL REPORTS ON DRILLING PROGRESS,
ALTHOUGH THIS POSSIBILITY HAS RECEIVED COOL RECEPTION FROM
EGYPTIANS, WHO CURRENTLY ARE ALMOST EUPHORIC ON SUBJECT
OF OIL EXPLORATION.
EILTS

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OFFSHORE DRILLING, OFFSHORE OIL FIELDS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 APR 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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